

**MINUTES  
PUBLIC UTILITIES BOARD**

Monday, July 10, 2017

9:00a.m.

City Council Work Session Room

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After determining that a quorum of the Public Utilities Board of the City of Denton, Texas is present, the Chair of the Public Utilities Board will thereafter convene into an open meeting on Monday, July 12, 2017 at 9:00a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

Present: Chair Randy Robinson, Vice Chair Susan Parker, Barbara Russell, Allen Bishop and Lilia Bynum

Ex Officio

Members: Bryan Langley, Deputy City Manager; Kenneth Banks, General Manager Water Utilities

Absent: Todd Hileman, CM; Mario Canizares, ACM; Charles Jackson and Brendan Carroll

**WORK SESSION**

**A. PUB17-139 – Receive a report hold a discussion on the proposed Electric Ordinance for FY 2017-2018.**

Jessica Rodgers gave a very quick presentation regarding the changes to the Electric Rates. Most changes are language clarifications.

**Board Member Russell asked for an example of the large and medium customers.** Rodgers stated that a large customer would be the universities and target, but did not have an example of a medium sized customer.

Rodgers stated that the one percent rate decrease will be accomplished by a reducing the ECA. The percent decreases will vary by electricity usage.

Rodgers showed examples of how much the bills would decrease for each customer type (residential, small, medium and large).

The residential time of use has changed by one minute to accommodate metering.

Super Peak

3:01 P.M. to 8:00 P.M.

Weekdays and Weekends; excluding Independence Day and Labor Day

June, July, August, September

On Peak

7:01 A.M. to 3:00 P.M. and 8:01 P.M. to 10:00 P.M.

Weekdays and Weekends; excluding Independence Day and Labor Day

June, July, August, September

Off Peak

All hours not designated as On-Peak or Super-Peak hours

Next steps include;

July 24 this Board will consider recommending approval of rate ordinance

August 3 City Council will review

September 19 Council will vote on rate ordinance

There were no other questions.

**B. PUB17-150 – Receive a report and hold a discussion on the proposed Water, Wastewater, and Miscellaneous Fees Ordinance for FY 2017-2018.**

Kenneth Banks gave the presentation stating there is a zero rate increase. Residential and commercial rates are unchanged from the prior year. The water tap and meter fee ordinance reflects the PUB approved changed from May 22, 2017.

There are slight adjustments on the wholesale rates. There is a recommendation of three percent increase based on cost of service (WW2). The raw rate will likely change it is based on 85 percent of the Dallas rate, the change will not be realized for a few months.

No questions on water

Wastewater residential and commercial rates are unchanged from last year. The Schedule CWM Dyno Dirt ‘overs’ rate has been added; \$2.00 per cubic yard.

The collection and transportation services (SWP) fee schedule has been substantially revised. Much of the fee schedule had references to engine types, which has been removed. Restaurant oil and grease category has been removed based on state law changes. Municipal solid waste and recycling services are provided by Denton, that category was removed. Non- City of Denton language was removed. The small operator fee has been removed.

The rates associated with the SWP was changed based on a cost of service study. The container and right of way fees were eliminated.

**Chair Robinson asked if there is any consideration to change the rates for CNG engines.**

Banks answered that hasn't been looked at but did look at other haulers in the metroplex. The rate structures were found to be similar to what staff has put together.

There were no further question on wastewater.

Banks added that on the Misc., there are no changes.

**C. PUB17-152 -Receive a report and hold a discussion on the proposed Fiscal Year 2017 – 2018 Solid Waste & Recycling Department Rate Ordinance.**

Kenneth Banks gave this presentation and stated that all rates and fees remain unchanged from the prior year. The references to General Manager in the ordinance was replaced with Director of Solid Waste. There was some text added to the ‘special waste’ category that charges for collection and disposal of special waste that will be based on cost of service.

There were no questions.

**D. PUB17-151 -Receive a report, hold a discussion, and provide a recommendation for a lighting maintenance agreement for the Texas Department of Transportation’s 35Express project.**

Brian Daskam gave this presentation stating there are a couple of options on how I-35 going through Denton is lit either continuous or safety lighting only.

The 35-Express project in Denton is nearing completion and the lights will be installed in August. TxDOT needs a decision on the type of lighting to move forward. The City has calculated estimated costs and legal has prepared draft agreements.

Safety lighting is required which consist of 114 lamps and 56 wall packs. TxDOT will pay for the safety lighting only if that is the option chosen which amounts to approximately \$10,500 per year to operate.

Continuous lighting is an option which consist of 278 lamps and 56 wall packs. The City of Denton will pay if the continuous lighting is the option chosen which amounts to approximately \$20,600 per year to operate.

Daskam showed maps of where the lamps would be placed for continuous and safety lighting.

The benefits for safety lighting include a savings to the City of \$20,600 per year which is the amount of continuous.

The benefits for continuous lighting is safer driving conditions, cities south of Denton have chosen continuous lighting and more visible for law enforcement and highway work.

Recommendations are option 1 continuous lighting agreement or option 2 safety lighting agreement only.

**Russell verified that TxDOT would pay for safety lighting.** Daskam agreed. **Russell stated that other lights from the intersection of HWY380 would help illuminate that intersection.**

**Bishop asked if continuous lighting replaces safety.** Daskam answered it does. **Bishop then asked why TxDOT wouldn't pay for the safety portion and the City pay the remainder.** Daskam answered these were the two options that were given. Galen Gillum stated TxDOT answered that is not in their policy, legal enquired as well.

**Russell asked about statistics on the two options.** Daskam did not have that information but will look into it.

**Parker asked the opinion of the police department.** Gillum answered police like continuous for safety and security.

**Bynum asked if in the residential areas if there are complaints about the lights** that other cities have shared. Jerry Fielder answered they will have shields to avert the lights from the residential homes.

**Robinson stated more lights would be safer and continuity would be much better.** **Robinson also wished the cost was the difference and not the entire amount.**

**Bishop how would this be paid.** Daskam answered the City would pay the cost of the energy while DME would pay for the maintenance.

**Parker are they energy efficient lamps.** Fielder answered LED is not an option right now but are as much as possible. We could entertain the option of changing them out later when they are available.

**Russell asked if safety lighting could be tried see if works if proven to not be satisfactory then go to continuous.** Gilliam answered that TxDOT is paying to install the lights. If we opt for safety only they install and move on. If we decide to go on to continuous, we would have to install them, which would be a lot more money.

**Bishop asked if there are any projections on traffic counts.** He is leaning to continuous because it will not get any better for sure.

**Board Member Bishop motioned to approve item D with option 1 continuous lighting. There was a second by Board Member Parker. Vote 5-0 approved.**

## OPEN MEETING

### CONSENT AGENDA

**A. PUB17-147 – Consider recommending approval of a Professional Services Agreement by and between the City of Denton, Texas and Kirkpatrick Architecture Studio, Denton, Texas for professional architectural and design services for the Hickory Substation GIS equipment building, the Hickory Substation screening wall, and the Eagle substation GIS equipment building for Denton Municipal Electric in an amount not-to-exceed \$616,700.00. (File No. 6483).**

**Item pulled by Board Member Russell. Russell didn't remember this substation being a GIS unit.** Chuck sears answered this substation was approved on 11/2014 by City Council and the wall after it was approved. Brian Daskam stated that City Council approved the site and aesthetic wall. This was decided to go GIS after the Eagle Substation had been decided. **Chair Robinson stated that PUB did not vote for this site to be a GIS substation because of the costs.** Sears agreed, this was decided by City Council.

Chuck sears showed pictures of what the wall and substation will look like after the new unit is in place. The overhead lines will be placed underground cleaning up that area drastically.

**Board Member Parker motioned to approve this item. There was a second by Board Member Bishop. Vote 4-0 approved, (Russell had stepped out).**

**B. PUB17-148 – Consider recommending adoption of an ordinance releasing, abandoning and vacating a 0.083 acre electric easement granted to the city of Denton, Texas, by Alex Williams on October 11, 1956 and recorded in Volume 426 Page 97, Deed Records, Denton County, Texas, and located in Block 20 of the Original Town of Denton, Denton County, Texas; providing for severability and an effective date. [Abandonment of an electric easement located in the downtown Wells Fargo parking lot, so that it may clear the area for future development]**

**C. PUB17-157 – Consider recommending approval of a “Professional Service Agreement (PSA)” with Garver, Inc. to perform a solids handling/dewatering study of the Lake Lewisville Water Plant filter backwash and sedimentation basin wash-down residuals;**

**authorizing the expenditure of funds in an amount not-to-exceed \$77,772.00 (File #6431).**

**Board Member Bynum motioned to approve items B and C. There was a second by Board Member Parker. Vote 5-0 approved.**

### **ITEMS FOR INDIVIDUAL CONSIDERATION**

**A. PUB17-155- Consider recommending approval of the Public Utilities Board Meeting minutes of June 26, 2017.**

**Approved as circulated**

**B. PUB17-146 – Consider recommending adoption of an ordinance of the City of Denton, Texas, authorizing the City Manager, or his designee, to execute an Advanced Funding Agreement, in a form substantially similar as attached hereto as Exhibit 1 and in the approximate amount of \$2,824,714.59 (amount to be finalized after bids are opened), by and between the State of Texas, acting through the Texas Department of Transportation (the “State”) and the City of Denton (the “City”), regarding water and wastewater utility improvements associated with the FM 2181 roadway widening project, located between FM 2499 and Lillian Miller Parkway and within the City of Denton.**

Chad Allen gave this presentation regarding relocating the City of Denton utilities. TxDOT is preparing to widen FM2181. This advance funding agreement (AFA) is to give them the money upfront, they will hire a contractor and move our utilities.

The roadway will go from a two through lanes to a six lane divided roadway from Wind River to just west of FM2499. Many of the signals will be improved as well. The drainage ditches will be replaced with an underground storm drain system. There will be a five foot wide concrete sidewalk will be added on both sides. The water lines, water meters, wastewater cleanouts and wastewater lines will be relocated outside of the TxDOT ROW.

When a new TxDOT ROW encroaches on existing City water or sewer easement and requires relocation and acquisition of a new utility easement, TxDOT will participate in the cost of the utility adjustment. Utility adjustments are reimbursable. When the City water or sewer line exists within current TxDOT ROW and is required to be adjusted by the TxDOT project, the City is responsible for all utility adjustment and easement acquisition costs.

Sometimes ‘betterments’ are added. Utility improvements not necessitated by TxDOT highway construction, installed solely for benefit and at the option of the City are called betterments. The costs of installing betterments are not eligible for TxDOT cost participation or reimbursement. This project includes betterments at two locations: waterline bore at Lexington Park Medical Center to preserve parking area and upsizing 8” to 10” sanitary sewer line at Bent Oaks Drive.

The enclosed AFA is a draft. The draft agreement sets out terms and conditions for payment by the City to the State for utility adjustment work. The city will pay TxDOT \$2.824 million. Costs shown in the draft agreement are based on construction cost estimates and are only approximate. The final costs will be based on bid prices provided by the contractor selected by TxDOT to construct the project. The bids will be received on July 11.

Lump sum payment in the AFA is meant to be the maximum payment liability for the City on this project.

The funding for this agreement will be paid for with existing water and wastewater bond funds.

**Bishop asked if the advance funding is for the total or could be more?** Allen answered that staff expects there will be no more costs. When the AFA goes to Council the final amount will be added. Only if the City makes changes or improvements there will be additional charges.

**Robinson asked if TxDOT will bear the costs if there are increases in cost?** Allen added again staff doesn't expect any other costs, the final amount will be given to Council on July 18. If something arises the Contingency line will be used.

**Robinson then stated that the reimbursement was 12 percent by wastewater and 81 percent by water, asked for more information.** Allen answered that more of the wastewater lines are in the roadway and the City has to pay for most of the costs, both water and wastewater are \$150 per foot to replace. The water lines were outside of the existing easements, but with the road being widened they were not, that is why most of those costs are reimbursable.

**Bishop asked if the \$2.8 million is net of the reimbursable expenses.** Allen agreed. \$2.8 million is what we owe TxDOT. The overall project is much higher.

**Parker asked if there is there any other betterments needed.** Allen answered that all the water and wastewater goals and master plan have been reviewed and are included.

**Bynum asked when will the road construction start.** Allen answered moving the utilities will be first. **Bynum then asked what is the timeline.** Allen answered it is a two to three year project. There are other utilities that have to be moved as well.

**Board Member Russell motioned to approve this item. There was a second by Board Member Bynum. Vote 5-0 approved.**

**C. PUB17-149 - Consider recommendation of an ordinance accepting competitive proposals and awarding a contract for the excavation and construction of landfill cells 3B, C, and D at the City of Denton Landfill, providing for the expenditure of funds therefor; and providing for an effective date (RFP 6395-awarded to Hammett Excavation, in an amount of \$3,476,092.84).**

Ethan Cox made the presentation for the development of landfill cells. Staff has processes approximately 250,000 tons of refuse per year, approximately 380,000 cubic yards. Currently there are three cells that are active which is about 2.1 million cubic yards. New cell development takes approximately 120 days. In November 2017 the cells will be 90-95 percent full.

Cox talked a little about the proposed cell development which is about 18.8 acres.

The request for proposal is with Hammett Excavation, \$3.48 million. The budget is \$4 million. Project days is about 134 days.

Next steps include going to Council then working on the cell soon after.

**Parker asked if the City has worked with Hammett previously. Cox answered no but they have solid references.**

**Robinson asked if landfill cells are being helped by the mining project. Cox answered the mining project has not started as of yet and cannot use the cells for about 10 -15 years.**

**Bynum how does recycling effect the cells. Cox added it has a big effect, the more that can be diverted the better, and the overall goal is 40 percent.**

**Russell stated that mining was talked a long time ago, why not proceeding. Cox stated with new City Manager wanted the project looked at from a financial standpoint.**

Estimated break ground this fall.

**Robinson stated that the two final bids were very close, was delivery is a factor. Cox answered yes.**

**Board Member Parker motioned to approve items B and C. There was a second by Board Member Russell. Vote 5-0 approved.**

#### **D. PUB17-156 - ACM Update**

##### **1. Matrix**

**Matrix no changes**

#### **CONCLUDING ITEMS**

Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Public Utilities Board or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

**Adjournment 10:10 a.m.**

**Approved on 7/24/17**